CITY AND BOROUGH OF JUNEAU
FY12 OPERATING BUDGET

INTRODUCTION

The information being presented in this report is a summary of the City and Borough’s general governmental operating budget for fiscal year 2012 (July 1, 2011 through June 30, 2012). It includes the public service activities supported directly or indirectly with property and/or sales taxes. It is intended to provide the reader an overview and history of general operating funding sources and uses. The information does not include the City and Borough’s self-supporting business-type activities (Airport, Bartlett Regional Hospital, Docks, Harbors, Water and Sewer operations), which are fully funded from user fees.

The Assembly formally adopts its operating and capital budgets annually. The City Manager is required to submit balanced budget recommendations to the Assembly on or before April 5 of each year. The Assembly, sitting as the Finance Committee, reviews the City Manager’s budget recommendations in April and May in weekly public meetings. The Finance Committee promotes public participation in the budget review process. By Charter, the Assembly is required to adopt the budgets on or before June 15.

THE CURRENT YEAR BUDGET

Existing property assessments decreased slightly overall, however, new large scale mining construction increased almost 3.5%. The operating mill levy of 9.26 is unchanged from FY11, but the debt service mill levy increased from 1.25 to 1.29. Overall property tax revenue increased borough wide by 3.2%. Sales tax revenues are projected to increase slightly in FY12 over FY11, however, the increase is less than what was projected at this time last year. Investment earnings are also projected to decline significantly. In responding to these funding shortfalls the Assembly approved a combination of budget reductions and reserve usage to balance the budget.
GENERAL GOVERNMENTAL SERVICES

The City provides a variety of general governmental public services funded fully or partially with property and sales tax dollars. Functions include –

**Administration:** City Management, Clerk & Elections, Information Systems & Human Resources

**Community Development:** Community Planning, Development, Permitting & Code Enforcement

**Capital Transit:** Public Bus & Care-A-Van Services

**Education:** 13 schools & a correspondence program

**Engineering:** Capital Improvement Planning, Design & Management

**Finance:** Property Assessing, Financial Services & Purchasing

**Grants:** Social Service & Youth Activities Grants

**Law:** Prosecution, Incarceration and Legal Support

**Legislative:** City Budget, Legislation & Community Planning

**Libraries:** Public Information & Facilities

**Public Safety:** Police, Fire, EMS & Dispatch

**Parks and Recreation:** Recreation Program, Parks, Landscape, Building Maintenance, Parking, Arboretum & Visitor Services

**Streets:** Maintenance & Repair, Snow Removal & Equipment Maintenance.

**Eaglecrest Ski Area:** Recreation Programs, Ski & Snowboard Instruction, Sales & Rentals
Growth in governmental spending is a concern of the City and Borough of Juneau’s Management and the Assembly. To obtain an accurate picture of the change in spending over time, it is important to take into consideration inflation and changes in population. The graph to the left compares general government and education spending per resident (per capita) between FY92, FY02 and FY12.
Per Capita Changes in Revenue Sources

The graph on the right depicts the changes in revenues on a per resident basis. State and Federal revenues have declined between FY92 and FY12 by 40% for general government but have increased by 36% for Education on a per capita basis. During this same period, FY92 to FY12, the operating mill decreased by 26% or 3.27 mills. Sales tax revenues increased between FY92 and FY12 primarily due to economic and tourism growth. Sales tax revenues are projected to increase from FY11 to FY12 by 4% due to a general economic recovery from the recent recession.
Howard are your property and sales tax dollars spent?

The following graph shows how your property and sales tax dollars are spent. CBJ’s self-funded operations that receive no property or sales tax dollars are not depicted in this graph. The services presented in this graph, in addition to property and sales taxes, are partially funded by user fees, fines, State and Federal support and other general revenues.

Note 1: General obligation voter approved debt is funded with a specific tax levy. The debt service mill rate for FY12 is 1.29 mills, which is $129 for each $100,000 of assessed value.

Note 2: Capital Projects receive no property tax revenues. The funding represented above is $7,100,000 of sales tax for the improvements to critical sewer and water infrastructure, airport and harbor renovations and deferred building maintenance and $8,097,100 of sales tax for areawide capital projects.